

Monthly Market Wrap

I February 2025

Equity index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
S&P 500	-1.4%	-1.3%	+5.4%	+1.2%	+16.8%	+36.1%	+101.6%	17.7%
MSCI World	-0.8%	-0.1%	+3.9%	+2.6%	+14.0%	+27.8%	+77.7%	17.4%
MSCI World Small Cap	-3.4%	-6.2%	-1.4%	-0.1%	+6.0%	+4.5%	+43.5%	21.6%
MSCI Europe	+3.5%	+9.5%	+6.3%	+10.1%	+12.7%	+23.5%	+48.7%	15.2%
MSCI EM	+0.4%	+1.7%	-0.2%	+2.0%	+7.5%	-6.3%	+9.1%	18.1%
MSCI AC Asia	-0.4%	-0.0%	-1.7%	+1.0%	+6.0%	+0.6%	+17.9%	16.4%
SEMDEX	+0.8%	+6.3%	+13.3%	+5.3%	+22.5%	+17.1%	+16.2%	17.1%
DEMEX	-0.1%	+0.4%	+2.1%	+0.4%	-11.3%	-23.3%	-1.9%	11.7%

Fixed income index returns (% local currency)

Index	1M	3M	6M	YTD	1Y	3Y	5Y	5Y Std Dev
Barclays Global Aggregate Bond	+1.4%	-0.2%	-1.6%	+2.0%	+3.0%	-8.3%	-9.4%	7.8%
Barclays US Aggregate Bond	+2.2%	+1.1%	+0.9%	+2.7%	+5.8%	-1.3%	-2.6%	6.4%
Barclays High Yield bond	+0.8%	+1.6%	+3.8%	+2.2%	+10.9%	+16.7%	+22.1%	10.7%
JP Morgan EMU IG Bond	+0.7%	-0.9%	+1.7%	+0.6%	+4.0%	-7.5%	-11.4%	6.4%
JP Morgan EM Bond	+1.5%	+1.2%	+2.4%	+2.9%	+9.6%	+8.9%	+1.9%	12.2%
FTSE Asian Broad Bond	+1.9%	+1.6%	+2.3%	+2.7%	+7.6%	+6.5%	+3.8%	6.8%

Commodity prices

Commodity	Current \$	1M
WTI Crude Oil / Bbl	69.76	<div><div></div></div> -3.8%
Brent Crude Oil / Bbl	73.18	<div><div></div></div> -4.7%
Natural Gas / mmBtu	3.83	<div><div></div></div> +26.0%
Copper / oz	451.45	<div><div></div></div> +5.5%
Silver / oz	31.15	<div><div></div></div> -0.8%
Gold / oz	2,857.83	<div><div></div></div> +2.1%

SEMDEX sector performance (%)

Index	Weight	1M
Financials	47.6%	<div><div></div></div> +1.4%
Commerce	11.4%	<div><div></div></div> -1.8%
Industry	5.2%	<div><div></div></div> +3.2%
Investments	20.8%	<div><div></div></div> +1.7%
Leisure & Hotels	8.5%	<div><div></div></div> -2.2%
Property	3.1%	<div><div></div></div> +1.8%
ICT	2.9%	<div><div></div></div> -0.7%
Sugar	0.4%	<div><div></div></div> -3.3%
Foreign	0.1%	<div><div></div></div> 0.0%

Secondary market yields - GoM

Tenor	91D	182D	364D	3Y	5Y	10Y	15Y	20Y
Current	4.43%	4.66%	4.87%	5.31%	5.40%	5.75%	5.88%	5.99%
-1M	3.62%	3.95%	4.04%	4.45%	4.76%	5.10%	5.31%	5.34%

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Selected economic data*

Index	Manufacturing PMI		Service PMI		Consumer confidence		CPI YoY	Policy rate	Unemployment
	Current	-1M	Current	-1M	Current	-1M	Current	Current	Current
US	52.7	51.2	51.0	52.9	98.3	105.3	2.8%	4.25% - 4.50%	4.1%
Germany	46.5	45.0	51.1	52.5	NA	NA	2.3%	2.9%	7.3%
France	45.8	45.0	45.3	48.2	93.0	92.0	0.8%	2.7%	7.3%
UK	46.9	48.3	51.0	50.8	-20.0	-22.0	3.0%	4.5%	4.4%
Japan	49.0	48.7	53.7	53.0	34.1	34.4	3.7%	0.5%	2.5%
China	50.8	50.1	51.4	51.0	NA	NA	-0.7%	4.4%	4.0%
India	56.3	57.7	59.0	56.5	NA	NA	3.6%	6.3%	7.7%

*based on latest available data

SBM Fund performance (% local currency)

Fund	Currency	Strategy	NAV	1M	3M	1Y	5Y Std Dev
SBM Perpetual Fund	MUR	Local fixed income	245.35	+0.3%	+0.9%	+3.8%	0.3%
SBM Yield Fund	MUR	Global fixed income	11.48	-0.1%	-0.4%	+1.6%	8.0%
SBM Universal Fund	MUR	Multi-asset	37.16	-0.5%	+1.6%	+13.6%	8.4%
SBM Growth Fund	MUR	Global equities	17.60	-1.0%	+1.2%	+16.8%	14.0%
SBM India Opportunities Fund (Class B)	USD	Indian equities	84.66	-8.7%	-17.1%		

Commentary

Local indices posted contrasting performances in February with SEMDEX maintaining its upward trend to close at 2,529.71 points, while the DEMEX surrendered part of its past month gains to end at 236.90 points, equivalent to respective returns of +0.8% and -0.1%. The main leaders, that is, companies which contributed to the positive performances of the SEMDEX were CIM, PBL and CIEL while the main laggards were IBLL, ROGERS and SUN. The top three price gainers were CIM (+12.8%), UDL (+8.8%) and BLL (+8.8%) while the main detractors were HWF (-8.3%), POLICY (-4.7%) and ROGERS (-4.6%). The price-earnings ratio and dividend yield of the SEMDEX stood at 7.09x and 4.05%, respectively as at 28 February against corresponding figures of 7.05x and 4.07% as at 31 January. Foreigners were net sellers at an increased tune of MUR 209.5M (vs. MUR 34.4M in Jan-25), led mainly by MCBG, SBMH and ASCE.

International stock markets posted diverging performances during the month but were generally weighed down by US equities following the release of softer macroeconomic data and tariff threats; the MSCI World index posted -0.8% MoM.

The S&P 500 index registered -1.4%, partially reversing its 2025 gains as weaker-than-expected economic data and waning enthusiasm as well as valuation concerns for the tech sector weighed on markets. Escalating tensions from US proposed tariffs on major trading partners dampened sentiment. 6 out of the 11 major industry groups recorded positive returns, led by Consumer Staples, Real Estate and Energy. Value stocks outperformed their growth counterparts, registering 0.2% vs -3.0% MoM. The S&P Global US Purchasing Managers' Index (PMI) edged up to a 32-month high of 52.7 in February against 51.2 in January after a combination of increased sales and backlog clearance drove growth. Cost pressures intensified as firms revised their price lists in anticipation of the upcoming trade tariffs affecting a broad range of goods and services.

Eurostoxx 50 index outperformed its global peers after posting 3.3% MoM, supported by a robust earnings season. European equities attracted large inflows driven by optimism around peace negotiations. The CAC 40 and DAX 30 indices recorded respective performances of 2.0% and 3.8%, while the FTSE MIB index soared by 6.0%. Eurozone manufacturing PMI rose to a 2-year high of 47.6 in February against 46.6 in January. The decline in new orders, both domestic and international, slowed, while production contracted at its mildest pace in nine months. In the UK, the FTSE 100 index added 1.6% in February. The downturn in manufacturing activity deepened following weak international and domestic demand and lower new orders from rising cost pressures – PMI fell to a 14-month low of 46.9 in February, down from 48.3 in January.

The Nikkei 225 index declined by 6.1% MoM as the broad yen strength eroded confidence in Japanese equities. Operating conditions deteriorated for the eighth consecutive month, reflecting contractions in both output and new order inflows as well as a broad stagnation in employment levels. PMI stood at 49.0 in February (January 2025: 48.7), remaining below the 50-threshold. The weak domestic and global demand prompted firms to scale back on their inventories midway through the first quarter, aligning stock levels with subdued market conditions. Inflationary pressures remained elevated, driven by rising costs of labour, utility and raw materials.

Emerging outperformed developed markets' equities after the MSCI Emerging Markets index recorded 0.4% in February. The CSI 300 index added 1.9% MoM in local currency and 1.5% in USD. Chinese manufacturing activity grew at an accelerated pace, supported by improvements in both demand and supply; gauges for output and new orders remained in expansionary territory for the 16th and 5th consecutive months, respectively. The headline index climbed to a 3-month high 50.8 in February, up from 50.1 in January. In India, the BSE Sensex shed 5.6% MoM amidst fears of a growth slowdown. The manufacturing sector maintained its strong growth momentum, albeit at its slowest pace since December 2023. Despite the moderation, output and sales growth remained robust, buoyed by strong demand - PMI stood at 56.3 in February versus 57.7 in January.

At the fixed income level, the Barclays Aggregate Bond index gained 1.4% in February. 10-year US Treasury yield declined by 33bps to 4.21% in February amidst growing fears of a growth slowdown from tariffs and rising odds of a rate cut in June after the release of inflation data. The target Fed Funds rate remained steady at 4.25%-4.50% given there was no FOMC meeting during the month. The key ECB interest rates remained unchanged as no meeting was held in February; the interest rate on the deposit facility, the main refinancing operations and the marginal lending facility stood at 2.75%, 2.90% and 3.15%, respectively.

On the commodity side, the S&P GSCI index slid by 1.3% in February following the tariff-driven slide in oil prices. The corresponding price of Brent and WTI fell by 4.7% and 3.8% following escalated tariff threats against major trading partners. The price of natural gas soared by 26.0% on account of expectations of colder weather and lower-than-average storage levels. Within industrial metals, the price of copper rose by 5.5%, while silver shed 0.5%. The price of gold rose by 2.1% MoM, fuelled by tariff threats and central banks' accumulation.

Hotline: 202 1111 | E: sbm.assetm@sbmgroup.mu | W: nbfc.sbmgroup.mu/mam